



MEA EmPOWER Maryland CHP Grant Program (MEA EmPowerMdCHP)

Frequently Asked Questions

This document responds to frequently-asked questions about the Maryland Energy Administration's (MEA) EmPOWER Maryland CHP Grant Program (MEA EmPowerMdCHP). MEA is providing this document to clarify, expand on, and be read in parallel with the [Program Description](#).

General Questions

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General Questions

1. What type of CHP projects can apply for a grant?

Any new CHP project that serves a load in a Healthcare facility (hospital, assisted living, nursing home, and surgical center)¹ or Publicly Owned Wastewater Treatment Facility (POTW)², including those projects that utilize biomass/biogas as a fuel source. A projects that only replaces an existing CHP system with a system of the same size is not eligible.

2. Who should be the applicant listed in Section A on the MEA EmPowerMdCHP Grant application?

The Healthcare or Publicly Owned Wastewater Treatment Facility owner ("facility owner").

3. Is the developer/energy service company (owner of CHP system), contractor(builder of CHP system), or manufacturer of the CHP equipment able to receive a grant under this program?

No. Grants will only be awarded to Healthcare and Publicly Owned Wastewater Treatment Facility owners. However, a Healthcare or POTW facility owner may choose to work with a developer/energy

¹ Eligible Healthcare facilities include those with the following NAICS codes: 621493: Freestanding Ambulatory Surgical and Emergency Centers (ambulatory surgical centers and clinics, freestanding), NAICS 622110: General Medical and Surgical Hospitals (Children's hospitals, general), NAICS 622310: Specialty (except Psychiatric and Substance Abuse) Hospitals (Cancer hospitals), NAICS 623110: Nursing Care Facilities (Skilled Nursing Facilities) Convalescent homes or convalescent hospitals (except psychiatric) NAICS 623311: Continuing Care Retirement Communities (Assisted-living facilities with on-site nursing facilities), NAICS 623312 Assisted Living Facilities for the Elderly (Assisted-living facilities without on-site nursing care facilities).

² Eligible Publicly Owned Wastewater Treatment Facilities fall under NAICS code 2213: Water, Sewage, and Other Systems.

service company (CHP owner) to install a CHP system and enter into a Power Purchase Agreement (PPA). When a proposed project is selected for award where there is a separate facility owner and CHP owner, MEA will require that both the facility owner and the CHP owner sign the Grant Agreement with MEA.

4. Will the MEA provide technical guidance and/or recommendations when designing the CHP system?

No. If an applicant does not have the technical expertise to develop a feasibility study for a CHP system, you may wish to partner with a qualified third party entity who has these technical skills.

5. May applicants apply for the *MEA EmPowerMdCHP CHP Grant Program* if they have already contracted with a manufacture to purchase equipment or third party Developer/ESCO/Contractor to build a CHP system?

No.

6. Is there a system size (MW) or incentive cap on eligible systems?

Systems of any size are eligible, but the maximum possible grant award is \$500,000, subject to availability.

7. Can I apply for the MEA grant if I also will be applying for an incentive from my local utility?

Yes.

8. How will the grant funds be distributed?

MEA will disburse up to 30% of the total grant award once MEA has verified that groundbreaking has taken place and materials are onsite. MEA will disburse the remaining 70% of the total grant award upon verification of final system commissioning.

9. May grantees finance the balance of the project costs?

Yes. An applicant may want to consider the possibility of applying for a [Lawton Loan](#) through MEA. Currently, loans ranging from \$50,000 to \$500,000 are available at a 2.0% interest rate. A project must have a simple pay back of 10 years or less.

Program Requirements

10. Is there a minimum system efficiency to be eligible for the CHP grant?

Yes. An eligible system must meet a minimum system efficiency of 60%, based on the higher heating value of the fuel.

11. What types of CHP technologies are eligible?

Reciprocating engines, turbines, microturbines, fuel cells, and back-pressure steam turbines are eligible as long as the waste heat is being captured for on-site use.

12. What fuel types are allowed?

Fuel sources can include natural gas, biomass, biogas, and other fossil fuels that meet State and Federal regulation.

13. If an entity has more than one CHP unit, would it be better to list all proposed projects in one application or to submit several applications for each proposed project?

An applicant should submit a separate application for each proposed CHP unit.

14. What if an applicant plans to propose CHP systems at multiple facilities?

The applicant should submit a separate application for each proposed CHP unit.

15. Where can I apply for utility incentives?

Applicants that are located within a utility service territory with an EmPOWER Incentive program are encouraged to apply for funding from [EmPOWER energy savings programs offered through Maryland utilities](#). If the building you wish to upgrade is not eligible for utility incentives because it is located outside the service territory of any of the five EmPOWER Maryland utilities or the owner/developer does not participate in a utility program, the project is still eligible for a grant under the MEA EmPowerMdCHP CHP Grant Program.

16. If a project doesn't meet the utility program, can it still qualify for a grant?

Possibly, yes. The existing CHP utility programs require a 65% High Heating Value (HHV) minimum system efficiency. The *MEA EmPowerMdCHP CHP Grant Program* allows for a minimum system efficiency of 60% HHV.

17. If the utility approves a proposed CHP application under its relevant EmPOWER utility program, can we begin the construction of the CHP project right away?

No, if you want to be eligible under the MEA EmPowerMdCHP Program you must wait until the Grant Agreement with MEA is awarded and executed. Any project that commences prior to the execution of a Grant Agreement will NOT receive grant funds under the *MEA EmPowerMdCHP* program.

18. Who qualifies as authorized signatory to sign the application?

The authorized signatory is the designated representative of the Healthcare or Publicly Owned Wastewater Treatment Facility and the designated representative of either the Developer/ESCO (CHP Owner) or the Contractor, whichever is relevant.

19. How will I know if program terms & conditions are changed?

MEA will post any changes on its [website](#). Further, MEA will send updates about the MEA EmPowerMdCHP Program to anyone who signs up for the program contact list. Anyone interested in signing up for the program contact list should email Michael.Leslie@maryland.gov with a subject line of **EmPOWERMdCHP contact list**.

20. What is the complete list of all required attachments to the application?

If the applicant is also applying for and/or participating in an EmPOWER MD utility program, MEA requires the following items:

- A copy of the initial utility CHP utility program application
- A copy of CHP Feasibility Study
- Utility CHP program supplemental documents
- Utility CHP program pre-approval letter (if available)
- Most recent (12) consecutive months of electric bills
- Most recent (12) consecutive months of natural gas bills (if applicable)
- Current Certificate of Status provided by the [Maryland State Department of Assessments and Taxation](#)
- IRS Form W-9

If an applicant will not be participating in an EmPOWER MD utility program the following items are required:

- CHP Feasibility Study meeting the 60% HHV minimum requirement
- A copy of a 5-year all-inclusive warranty or service contract
- Most recent (12) consecutive months of electric bills
- Most recent (12) consecutive months of natural gas bills (if applicable)
- Current Certificate of Status provided by the [Maryland State Department of Assessments and Taxation](#)
- IRS Form W-9

21. Can I mail a hard copy application?

Yes. When completed applications are received at the MEA they will be date and time stamped in the order received. However, since the grant selection will be determined primarily on a first-come first-served basis, applicants are encouraged to submit a complete application electronically to Michael.Leslie@Maryland.gov.

Eligibility

22. What type of project is eligible for this program?

A facility-owned or a third-party owned/operated new CHP project that serves a Healthcare facility (hospital, assisted living, nursing home, and surgical center)³ or Publicly Owned Wastewater Treatment

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Facility⁴. However, please note that MEA will only disburse grant funds to the grantee, who is the Healthcare or Publicly Owned Wastewater Treatment facility owner.

Evaluation Criteria

23. What if the CHP owner (developer/ESCO) is located in a different state?

As long as the Healthcare or Publicly Owned Wastewater Treatment facility is located in the State of Maryland and the installed equipment stays in Maryland, the CHP owner may be a resident of another state.

24. Must I leverage utility or other incentive programs?

No, this is not required.

25. My project is an upgrade to an existing CHP system. Is it eligible for the incentive?

Possibly. If the system upgrade is designed to provide additional capacity (kW), then it is eligible for the program. If the upgrade is simply to the thermal distribution system with no additional capacity increase, then it is ineligible for the grant. Under this scenario grant funds will only be paid for the additional capacity (kW) and incentive amounts will be calculated based on the MEA EmPowerMdCHP capacity incentive grant provided under this program.

26. How does MEA evaluate project feasibility?

The applicant must submit a feasibility study from either a qualified developer/ESCO or a qualified contractor that is capable of providing the resources and management skills to plan, engineer, permit, build and, as necessary, operate CHP systems. MEA will evaluate the feasibility study for technical soundness.

27. What if I don't have one year's worth of utility bills?

If you do not have these records, your utility history can be obtained from your utility provider. Your utility provider may require you to complete a form in order to provide that information to you.

28. I want to take advantage of this opportunity, but I am not an energy expert and am not sure how to figure out whether CHP is right for my facility.

Technical assistance to help determine savings or efficiency options is not available from MEA for this grant program. However, general application assistance is available by contacting Michael.Leslie@Maryland.gov. MEA's goal is to respond to all such requests within one business day.

Communities (Assisted-living facilities with on-site nursing facilities), NAICS 623312 Assisted Living Facilities for the Elderly (Assisted-living facilities without on-site nursing care facilities).

⁴ Eligible Publicly Owned Wastewater Treatment Facilities include those that fall under NAICS code 2213: Water, Sewage, and Other Systems.

You may also wish to contact your utility to see whether or not a utility trade ally might be able to offer project development and application assistance. If a contractor has been working with you to define and scope a possible CHP system or other energy-efficiency projects, you may consider asking them to assist you.

Application Review and Next Steps

29. What happens after I submit my application?

MEA will review each application to verify that it is complete and then determine grant awards as specified in the above under “Evaluation Criteria” . MEA will make one of four determinations for each application:

- Issue a Grant Commitment Letter;
- Require additional information;
- Place the project on a waiting list in the event the program is fully subscribed and additional funding becomes available; or,
- Reject the application.

30. What is the process if my application is selected?

If your application is selected for a grant award, MEA will provide a letter that:

- Explains the next steps to take;
- Contains instructions regarding submitting the required Monthly Progress Report, and other documentation required in order to receive grant funds.
- Will include information on how to submit a Monthly Progress Reports. The Monthly Progress Reports will include M&V data and detailed project updates and other relevant milestones. The reports must be submitted to MEA by email no later than the 10th of each month.
- Provides instructions about meeting various preliminary project requirements within a prescribed time window.

After the applicant satisfies the preliminary project requirements, MEA shall provide a Grant Agreement for signature. All grant awards are expressly contingent upon acceptance of all Program Terms and Conditions, execution of the Grant Agreement, and completion of the project in accordance with all Program requirements, Terms, and Conditions.

Any project that seeks to draw upon MEA EmPowerMdCHP program funds must NOT sign a contract for the CHP system nor start construction prior to receiving a fully-executed grant agreement from MEA Doing so will jeopardize your grant award.

31. When will MEA disburse grant funds to a Grantee?

MEA will provide the grant funds in two separate disbursements; 30% of the total grant amount after verification of groundbreaking , and the remaining 70% at the time of project commissioning after verification that the CHP system is installed and operating.

32. Will I be informed if my project is rejected?

Yes, MEA will communicate to all applicants letting them know their project's selection status.

33. What is the general program timeline?

The following are key dates in the program timeline:

- **November 2014:** The program opens for applications.
- **February 1, 2015:** The application period closes.
- **April 2015:** Grant decisions are announced.
- **May 2015:** Grant agreements are signed.
- **January 1, 2016:** All systems must have material onsite and official groundbreaking ceremony.
- **January 1, 2017:** All systems must be fully commissioned.

Project Compliance

34. What are the compliance issues of which I should be aware?

- This program is funded solely by the State and not by federal funds and only Maryland State statutes and regulations apply. Each successful applicant is required to sign a Grant Agreement with MEA to be awarded a grant. This Grant Agreement sets forth the compliance requirements for the Program. The Notice of Availability for the MEA EmPowerMdCHP program summarizes these requirements under the heading "Restrictions and Limitations".